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Countries where cryptocurrency, coins, tokens and ICOs are banned



There has been a lot of activity lately in the world with governments banning cryptocurrency and ICOs but this should come as no surprise as there has been strongly worded messaging about this for some time.

China bans ICOs and shuts down Exchanges

This had a massive impact on the valuations of coins such as Bitcoin, Litecoin, Ethereum, Dash etc.. but things have since recovered since the 2017/09/04 law passed in China but serves as a warning and example of what government intervention can and cannot do.

<http://en.people.cn/n3/2017/0904/c90000-9264331.html>

Chinese authorities on Monday ordered a ban on Initial Coin Offerings (ICOs), a nascent form of fundraising in which technology start-ups issue their own digital coins, or “tokens”, to investors to access funds as the rapidly expanding market spawned concerns over financial risks.

Starting Monday, ICO activities should be halted, and ICO platforms should not engage in exchange services between fiat currencies, virtual coins and tokens, said a statement from the People’s Bank of China.

South Korea Bans ICOs

The good news is that while ICOs are banned it does not appear that trading in the currencies themselves is banned.

<http://www.nasdaq.com/article/south-koreas-ico-ban-a-reaction-to-serious-concerns-over-cryptocurrency-investment-practices-cm854236>

In fact it appears South Korea plans to allow trading but wants more regulation and safeguards:

South Korea Makes it Legal to Transfer Cryptocurrencies Internationally



According to several online sources, a new law in South Korea is set to make it legal for companies to process international transfers using cryptocurrencies like Bitcoin and Ether. Digital Currency Exchanges Can Register with Korean Gov't The new laws, which are set to go ... Continue reading



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Singapore

Although not by law, many companies in Singapore dealing in cryptocurrency have had their accounts closed:

<https://www.out-law.com/en/articles/2017/september/singapore-banks-closing-accounts-of-cryptocurrency-firms/>

Countries subject to strict or promising strict regulations

Nearly every country has taken a similar line where they are making a legal framework and claiming that ICOs are subject to the same laws and rules as IPOs. However this doesn't appear to have been translated into law. It also doesn't address the question of how holders on the coins will be impacted but one would guess that in the future they may be subject to capital gains tax and treated like traditional stock investments.

This list of countries includes:

EU, Hong Kong, Canada, Singapore and many other countries around the world.

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Hong Kong Regulators Warn ICO Tokens May be Securities Under the Law

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(<https://www.financemagnates.com/cryptocurrency/news/sec-ico-tokens-like-dao-securities-subject-regulations/>)



(<https://www.financemagnates.com/cryptocurrency/news/sec-ico-tokens-like-dao-securities-subject-regulations/>)

SEC: ICO Tokens Like Those of The DAO are Securities Subject to Regulations

(<https://www.financemagnates.com/cryptocurrency/news/sec-ico-tokens-like-dao-securities-subject-regulations/>)

The US federal agency says that exchanges providing trading in securities-like ICO tokens must register as such.

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(<https://www.financemagnates.com/cryptocurrency/news/canadian-regulators-say-cryptocurrency-icoito-may-subject-securities-law/>)

Canadian Regulators Say Cryptocurrency ICO/ITO May be Subject to Securities Law

(<https://www.financemagnates.com/cryptocurrency/news/canadian-regulators-say-cryptocurrency-icoito-may-subject-securities-law/>)

Is the regulation valid, practical and legal?

This is a hard call for me to understand in the sense that these cryptocurrencies are just that, digital currency and currently people are not taxed or penalized for simply exchanging, buying and/or holding different currencies.

It may also be interesting to see what the large exchanges, businesses and users do in response such as unprecedented regulation and laws. It may be that some of the regulations and laws imposed around the world may be found invalid or unenforceable in the end.

What are your thoughts and as always please let me know if I've missed any new developments around the laws of cryptocurrency.

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